

# Fiscal Services Division

## Legislative Services Agency

### Fiscal Note

SF 2359 – Fine Arts Projects (LSB 5612 SV)

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Fiscal Note Version – New

#### **Description**

Senate File 2359 increases the percentage of the total estimated costs of building projects designated for fine arts elements from 0.5% to 1.5%. The Bill requires 10.0% of the moneys designated for fine arts elements to be transferred to a new Maintenance and Conservation Fund that would be under the administration of the Department of Cultural Affairs and would be used for maintenance and conservation of the fine arts acquired. In addition, the Bill expands the definition of "State Building" to include any permanent structure used as an information center or rest area for the traveling public as defined in Section 306C.10, Code of Iowa.

#### **Assumptions**

- Construction projects that had appropriations previously enacted for FY 2009 and projects recommended by the Governor will be funded without changes in funding levels for FY 2009.
- Includes projects that may have had plans and specifications completed before July 1, 2009, but are in the beginning stages of construction and dependent on appropriations in FY 2009 and out years.
- All State funding for these projects comes from the Rebuild Iowa Infrastructure Fund (RIIF).
- Future building cost estimates provided to the LSA and the Department of Management will be upwardly adjusted by 1.0% to factor in the additional fine arts funding.

#### **Fiscal Impact**

Senate File 2359 will potentially increase funding for fine arts elements by \$888,113 from State funds in FY 2009. Of that amount, \$88,812 would be deposited in the new Maintenance and Conservation Fund. In addition, the Department of Cultural Affairs would keep 1.0% (\$8,881) of the additional funding for administrative costs. Increased funding for fine arts elements for FY 2009 and future years could include an additional \$2.0 million, when considering the Iowa Veterans Home Master Plan, Regents construction not funded by RIIF, and the new Iowa Utilities Board building.

Construction Projects for State Buildings with State Funds** in FY 2009				
	Estimated FY 2009	Current Law 0.5%	Proposed Law 1.5%	Difference
New State Office Building	\$ 23,300,000	\$ 116,500	\$ 349,500	\$ 233,000
Iowa Veterans Home	20,555,329	102,777	308,330	205,553
Biorenewables Building - ISU	14,756,000	73,780	221,340	147,560
Hygienic Laboratory - SUI	12,000,000	60,000	180,000	120,000
Center for Regenerative Medicine - SUI	10,000,000	50,000	150,000	100,000
State Fair Agriculture Exhibition Center	5,000,000	25,000	75,000	50,000
Gold Star Military Museum	2,000,000	10,000	30,000	20,000
Rest Areas - Transportation	1,200,000	6,000	18,000	12,000
<b>Total</b>	<b>\$ 88,811,329</b>	<b>\$ 444,057</b>	<b>\$ 1,332,170</b>	<b>\$ 888,113</b>
Other Regents Construction Projects (minus FY 09 RIIF allocations)	\$ 106,744,000	\$ 533,720	\$ 1,601,160	\$ 1,067,440
Iowa Vets Home All Funding for Master Plan (FY 09 and FY 10 less FY 09 RIIF allocation)	79,351,344	396,757	1,190,270	793,513
Iowa Utilities Board/Consumer Advocate Building**	9,930,000	49,650	148,950	99,300

\*Does not include prison construction project estimates because "State Building" under Section 304A.8, Code of Iowa does not.

\*\*IUB/Consumer Advocate building is funded through independent bonding.

The LSA expects future construction project estimates to factor in the additional 1.0%, thereby increasing those estimates.

Also, the LSA estimates the additional 1.0% requirement will affect the principle State agency involved in each of the FY 2009 projects by requiring the agency to modify the design to accommodate the extra expenditure in fine art elements or to find additional funding to handle the increase, whether through the State General Fund, available State infrastructure funds, or within the existing budget.

### **Sources**

Department of Administrative Services  
Department of Cultural Affairs  
Iowa Utilities Board  
Iowa Veterans Home  
Board of Regents  
Department of Transportation

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/s/ Holly M. Lyons

March 17, 2008

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.  
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